



August 31, 2007

The Honorable Mark Sanford
Governor of South Carolina
Office of the Governor
Post Office Box 12267
Columbia, South Carolina 29211

Dear Governor Sanford:

Dear Governor Sanford:

The University of South Carolina system educates over 43% of the total population of postsecondary students in our state. It takes a tremendous commitment of resources to meet the primary purpose of our institutions to provide a broad, comprehensive education that will continue to produce citizens who contribute vitally to the quality of life for all South Carolinians. The attached budget request describes and justifies the State financial support needed in order to help satisfy our educational goals and objectives. The request reflects many of our institutional priorities and the various initiatives are summarized below.

Columbia Campus

The Columbia campus is requesting support of the **Faculty Excellence Initiative** recruitment and retention program. This program is essential to fulfill the institution's mission of providing its students with outstanding scholars to enrich their educational experience. The University has successfully improved each year's freshman class by attracting top-notch students who are eager to obtain a quality education. In addition, the institution is experiencing unprecedented enrollment growth as more students are attracted to the University of South Carolina. Today, more than ever before, we are keeping large numbers of South Carolina's best and brightest here to learn and ultimately enrich our communities and businesses. Now, we must provide faculty scholars who will provide the vision and talent to produce successful citizens.

OneCarolina is the University System's multi-year initiative to replace its outdated administrative computing applications, including Student Information Systems, Finance, Sponsored Programs, and Human Resources into one easily-accessible, Web-based system. This change in technology is necessary to manage the University System in a professional manner that is both cost effective and responsive to our constituents.

Many faculty recruitments require large start-up outlays for equipment, providing staff support, and hiring associate faculty. The **Strategic Faculty Development** initiative will advance our ability to recruit a diverse, high-quality faculty work force in sufficient numbers to meet the high standards demanded of an education that prepares our students for the modern, knowledge-based environment they will encounter.

The University of South Carolina's Division of Law Enforcement and Safety has long been committed to providing a safe, secure environment for students, staff and faculty. This commitment is reinforced by recent tragic events on our nation's campuses. In our **Campus Health, Security & Life Safety** initiative,

we seek resources for installation of access control systems to make buildings more secure, additional call boxes for notifying authorities of emergencies, video systems to enhance surveillance, and a campus-wide alert system. Moreover, additional personnel positions are needed to support the University's enhanced security efforts.

SC LightRail is an innovative plan that will benefit all citizens of the State of South Carolina by improving communications among healthcare organizations, research units, and educational institutions. **SC LightRail** is a collaborative project involving participation by the Medical University of South Carolina, Clemson University, the University of South Carolina, and Health Sciences South Carolina which will improve healthcare for the citizens of South Carolina. Scientists and researchers need the network capacity of **SC LightRail** in order to take full advantage of the grid/high performance computing opportunities offered through the SURA/IBM partnership.

Long recognized for innovation and excellence in international programs, the University of South Carolina seeks support of its **Global Competitiveness Initiative** in order to expand the level of participation by our students and faculty in the world about us. There is mounting pressure placed on our universities to develop and sustain curricula that will prepare our students to compete and thrive in the global economy. The **Global Competitiveness Initiative** will allow the University to expand its successful study-abroad program, acquire more offshore internships for students, and extend participation in exchange programs by more students, including those whose financial constraints might otherwise preclude them from experiencing these important activities.

The **Student Partners in Academic Research (SPAR)** program will provide an enriched academic experience for the University's undergraduate and graduate students through research opportunities in all disciplines from science, technology and medicine to theatre, music and art. Through faculty mentoring relationships and exposure to live professional research experiences, students may attain in-depth knowledge not achievable in ordinary classroom settings.

In partnership with the Greenville Hospital System and Palmetto Health, the University plans to extend its research capabilities to those health care providers to provide immediate advances in diagnosis, treatment and prevention by way of the **South Carolina Health Advancement** initiative. This will lead to improved healthcare initially for significant segments of the state's population, and research findings resulting from the initiative ultimately will lead to improvements in the health of all South Carolina citizens.

Capital Budget Priorities

The USC Columbia campus is comprised of 163 buildings on 384 acres situated in the heart of the state. The Columbia campus has identified three capital budget priorities: the School of Law building replacement, the historic Gibbes Green renovations, and the renovation/addition to the Moore School of Business. Funding of capital projects is a high priority as we strive to achieve excellence in all aspects of the institution's mission.

The condition of facilities is a vital consideration when programs are under review for accreditation. Reducing deferred maintenance is a primary goal of the University in order to protect state resources and enhance the learning environment. The amount of deferred maintenance for the Columbia Campus as listed in the CHE 2003 Update is \$150,513,637. Recently, a comprehensive building quality survey was completed for the Columbia Campus which indicates the actual deferred maintenance is in excess of \$500 million. A State capital improvement bond bill is critical to the reduction of this backlog.

State Funding Priorities

The University of South Carolina fully supports retaining the full \$30,000,000 in funding from the Education Lottery for the Endowed Chairs program. South Carolina's students also benefit from the program. Increasing the level of training we can provide allows us to keep our best and brightest at home, helping to end our talent export. We encourage our state's leaders not to look at funding the Endowed Chairs program as an appropriation, but rather as an investment -- a smart investment that will fuel innovation, enhance economic opportunity, and lead to a stronger South Carolina.

South Carolina's political leadership should be commended for creating and supporting the Centers of Economic Excellence Program during the last five years. This visionary initiative leverages state and private funds along with university-based research to drive economic growth in areas such as nanotechnology, health sciences, future fuels, energy alternatives, automotive engineering, and advanced fibers with the greatest promise to create high-skill, high-paying jobs. This model has created a magnet for private-sector investment in South Carolina.

The state's three research universities -- Clemson University, the University of South Carolina, and the Medical University of South Carolina -- are using the program to benefit our state. In addition to increased research collaboration among the three institutions, we are now able to get the attention of the world's best scientists and graduate students.

Last year, approximately 90 people, including representatives from the Legislature, various state offices, the South Carolina Hospital Association and all USC nursing deans formulated "One Voice – One Plan" to address the critical shortages of nurses across South Carolina. The plan received an initial investment of \$1,000,000 for FY2008. The University of South Carolina System is combining internal resources and collaborating with other institutions to support the state-wide coordinated, comprehensive workforce plan and strongly supports the funding request for the South Carolina Critical Needs Nursing Initiative.

The University of South Carolina system supports an increase to the Need-Based Grants program administered by the South Carolina Commission on Higher Education. The Need-Based Grants program is a worthwhile investment in the state's neediest students by providing the financial resources to pursue a degree in higher education. A major contributor to the success of the state's economic competitiveness is the level of education held by its population.

USC supports an increase for the Experimental Program to Stimulate Competitive Research (EPSCoR) to fund the IDEa program - Institutional Development Awards. An increase in funding will enable EPSCoR to become more competitive in securing federal research funds. The South Carolina EPSCoR/IDEa program identifies, develops, and uses academic science and technology resources to increase South Carolina's research and development competitiveness and support economic growth through the state's colleges and universities, their science and engineering faculty, and their students. Increasing South Carolina's scientific and technological research competitiveness is critical.

As in every year, we ask that the faculty and staff of our higher education institutions be recognized as state employees and afforded the same benefits as any state employee—particularly in any pay plan for cost of living and/or merit adjustments as well as increases to employer contributions for health insurance and the South Carolina Retirement System.

USC Senior and Regional Campuses

The USC Senior campuses at Aiken, Upstate and Beaufort and the Regional campuses at Lancaster, Salkehatchie, Sumter, and Union are appreciative of the recurring parity funding provided in FY2008, but we would like to encourage a full study of the implications of parity for these institutions. This funding is part of the "Investment in Academic Excellence" initiative to retain our best and brightest faculty and students as well as recruit faculty and students who will contribute to the economic welfare of our state.

Addendum

All activities of the University of South Carolina's campuses directly support the mission of teaching, research and creative activity, and service. The activities reported in the Agency Activity Inventory are based on expenditure classifications established by the National Association of College and University Business Officers (NACUBO) and are standard across higher education. These classifications identify all critical and necessary components of an institution's mission and are not separable. As such, we feel all of our activities are critical to fulfilling the mission of our University and satisfying our obligations to the citizens of South Carolina.

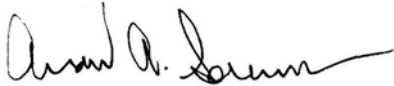
Provisos

The University of South Carolina is requesting amendments to two provisos (15.1 and 15.6) and the deletion of the following proviso:

89.97 (GP: Academic Center) Of the funds appropriated to the University of South Carolina Upstate for other operating expenses, \$100,000 shall be transferred to Spartanburg Community College to support the Academic Center.

The University, along with the State, has experienced unprecedented growth, prompting monumental challenges to successful attainment of the goals. Quite frankly, however, success will not occur without a long-term commitment from government, business and education. The University of South Carolina plays a critical role in delivering higher education throughout the state and it is hoped that the Office of the Governor and the State Legislature will continue to provide support for this mission.

Sincerely,



Andrew A. Sorensen

c: Dr. Mark Becker, Executive Vice President for Academic Affairs and Provost
Mr. Richard Kelly, Vice President and Chief Financial Officer
Ms. Leslie Brunelli, Budget Director
Dr. Garrison Walters, Director, S. C. Commission on Higher Education
Mr. Les Boles, Director, Budget and Control Board

Summary of Operating Budget Priorities for FY 2008-09:	FUNDING					FTEs			
	State Non- Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
TOTAL OF ALL PRIORITIES	\$ 0	\$3,027,807	\$ 0	\$ 0	\$3,027,807	0.00	0.00	0.00	0.00

E. Agency Recurring Base Appropriation:

State \$ 14,212,238

Federal\$ 7,709,586

Other \$ 53,485,002

F. Efficiency Measures: USC Upstate uses a process improvement system benchmarking best practices to identify change requirements and streamline administrative processes. Also, there is an effective strategic planning process which guides the allocation of institutional resources and measures the impact of these expenditures. Institutions research provides key performance information used in program evaluation and planning. Performance results are reported in the State Accountability Report.

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.: 1	<u>Project Name:</u> Information Resource Center Construction Activity Number & Name: 500 Operations and Maintenance	Project No*: H34-9517	17,800,000	1,000,000	4,000,000	\$22,800,000
Priority No.: 2	<u>Project Name:</u> Classroom and Student Support Building Repairs and Renovations Activity Number & Name: 500 Operations and Maintenance	Project No*:	5,300,000	0	200,000	\$5,500,000

Priority No.: 3	Project Name: Deferred Maintenance Activity Number & Name: 500 Operations and Maintenance	Project No*:	3,200,000	0	0	\$3,200,000
Priority No.: 4	Project Name: Media Building and Nursing Building Renovations Activity Number & Name: 500 Operations and Maintenance	Project No*:	3,200,000	0	0	\$3,200,000
TOTAL OF ALL CAPITAL BUDGET PRIORITIES			\$29,500,000	\$1,000,000	\$4,200,000	\$34,700,000

* If applicable

H. Number of Proviso Changes: **None**

I. Signature/Agency Contacts/Telephone Numbers:

Richard W. Kelly
Vice President and Chief Financial Officer
(803) 777-7481

Leslie G. Brunelli
Budget Director
(803) 777-1967

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: **15C/H34/University of South Carolina Upstate**

B. Priority No. **1 of 1**

C. (1) Title: **Teaching Excellence Initiative**

(2) Summary Description: **Continue to implement improvements in academic excellence initiatives by investing in additional faculty, further develop and consolidate student success programs and improve classroom learning environments.**

(3) Strategic Goal/Action Plan (*if applicable*): **The University is committed to providing excellence in teaching in an engaging campus community focusing on student success. Four mission implementation priorities for USC Upstate include strategically managed enrollment, quality academic programs and faculty, effective student success services and a well developed campus learning environment.**

D. Budget Program Number and Name: **Education & General – Unrestricted 10010100**

E. Agency Activity Number and Name: **504, 505 Instruction
500 Operations and Maintenance**

F. Detailed Justification for Funding

(1) Justification for Funding Increase:

Over the next three years, new teaching faculties will be employed to replace those who are retiring, and address changes and expansions in academic programs. We are seeking to adjust the percent of part-time faculty and student/faculty ratios; increase salaries nearer to the average for South Carolina teaching university sector peers for professors, associate professors and assistant professors; increase the number of permanent rank professors to reduce dependency on year-to-year employment of instructors and part-time positions. Student faculty ratios impact on the quality of the academic programs and student learning.

USC Upstate is seeking funding to implement these mission priorities be used to invests in the faculty, academic programs, classroom and laboratory equipment and student success initiatives.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service		1,600,000			\$ 1,600,000
(c) Employer Contributions		400,000			\$400,000
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		1,027,807			\$ 1,027,807
Total	\$ 0	\$ 3,027,807	\$ 0	\$ 0	\$ 3,027,807
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State \$ **14,212,238**
Federal\$ **7,709,586**
Other \$ **53,485,002**

(4) Is this priority associated with a Capital Budget Priority? **No** If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State **184.82**
Federal **13.57**
Other **307.61**

Agency-wide Vacant FTEs as of July 31, 2007: **84.1923**
% Vacant **16.89 %**

H. Other Comments:

Academics primarily focus on undergraduates, which comprise 92% of total enrollment, with a 40.7% increase in SC undergraduate students over the past ten years. Partnerships with technical colleges are important in providing opportunity for upstate citizens, with the highest transfer enrollment of the ten SC teaching universities. Minority enrollment continues to remain high at 32%. Student qualifications have increased annually with the freshmen SAT average exceeding 1,000 and the number of LIFE scholarship doubling in the last four years. These enrollment figures reflect a growing campus with a diverse and quality student body primarily serving undergraduates from SC as freshmen from upstate high schools and transfer students from technical colleges.

Coordinated student success services supporting students' persistence to graduation is a major priority. Students, especially new freshmen and transfers, require special student support services integrated with classroom activities to insure a successful transition throughout the programs. USC Upstate is participating in the Foundations of Excellence program, which will provide benchmark data to measure progress in these student success initiatives. USC Upstate has an advising center, math and writing labs, an honors program, media services, University 101 courses, counseling and placement services. We would like to expand and consolidate these important programs.

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

- A. Agency Section/Code/Name: **15C/H34/University of South Carolina Upstate**
- B. Priority No. **1 of 4**
- C. Strategic Goal/Action Plan *(if applicable)*:
- D. Project Name and Number *(if applicable)*: **H34-9517 Information Resource Center Construction**
- E. Agency Activity Number and Name: **500 Operations and Maintenance**
- F. Description of Priority:
Construct a new facility to consolidate in one location the library and technology functions. Incorporate state of the art features. This facility will serve as the information and high technology focus for the campus and the upstate. Included are the learning research center (library), information systems center, and curricular support laboratories and facilities. This project will also include partial conversion of vacated spaces for use by the College of Arts and Sciences. Facilities displaced by the new facility will require replacement (parking lot, police and health services facility, child development facility). The project is part of the University's approved master plan.
- G. Detailed Justification for Funding
- (1) Justification for Funding Priority: **Current space for the library and technology are undersized for current demands, much less ever increasing and anticipated demands. Evolving technology has made current locations further obsolete. Functions need to be collocated in order to function more efficiently. Renovation at current location is impractical: lack of space, cost of HVAC and electrical upgrades, etc. SACS visit indicated that a new, larger, much improved library was required immediately. In 2007, a five year report is due to SACS. We will receive a reprimand for no progress with accreditation itself threatened thereafter if the project is not completed.**

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	17,800,000	1,000,000	4,000,000	\$22,800,000

* *If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs:

(1) Will additional annual operating costs be absorbed into your existing budget? **Yes**

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. **Other** _____

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: **2009/2010** Will this fiscal year require a partial or full year's operating funds? **yes** If a partial year's funds are required, what portion of the year does it cover? _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs				\$ 700,000	\$ 700,000
Total	\$ 0	\$ 0	\$ 0	\$ 700,000	\$ 700,000

I. Justification for First Full Year Additional Future Annual Operating Costs (*If Section H above represents a full year's operating funds, do not complete this section.*)

(1) Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

The current budget is \$1M funded with previously authorized CIB. This submittal reflects an increase of \$21.8M funded with \$17.8M in requested CIB funds and \$4M in private funds. The budget for this project has increased since last submitted to reflect increased costs resulting from inflation.

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

- A. Agency Section/Code/Name: **15C/H34/University of South Carolina Upstate**
- B. Priority No. **2 of 4**
- C. Strategic Goal/Action Plan (*if applicable*):
- D. Project Name and Number (*if applicable*): **Classroom and Student Support Building Repairs and Renovations**
- E. Agency Activity Number and Name: **500 Operations and Maintenance**
- F. Description of Priority: **This project is to address serious deficiencies in the facility that houses several classrooms, laboratories, and offices (the Administration Building). It also addresses similar deficiencies in the Library/Classroom building, and also includes funds to complete conversion of the current Library spaces to classrooms and other academic spaces after the Library relocates. Among the major issues corrected by this project is a total replacement of the HVAC systems in both buildings. The systems are over 35 years old and continuously break down. Parts are no longer available for repairs, and must be specially manufactured. A consultant (Swygert Engineering) has confirmed that total replacement of the systems is the most cost effective way to proceed. The remainder of the project will be for the correction of deferred maintenance items that exist at the time of the project execution, and the renovations necessary for the conversion of the Library Building mentioned above.**
- G. Detailed Justification for Funding

(1) Justification for Funding Priority: **The HVAC systems in both facilities are long past their useful life; parts are not available for repairs and have to be specially manufactured. The teaching environment with the current HVAC is unbearable most of the year, the floor plans are inefficient for the numbers of students supported, and use of the large library space for classrooms is not practical.**

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	5,300,000	0	200,000	\$5,500,000

* If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.

H. Justification for First Year Additional Future Annual Operating Costs:

(1) Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: _____ Will this fiscal year require a partial or full year's operating funds? _____ If a partial year's funds are required, what portion of the year does it cover? _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs (*If Section H above represents a full year's operating funds, do not complete this section.*) N/A

(1) Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

The budget for this project has increased since last submitted to reflect increased costs resulting from inflation.

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

- A. Agency Section/Code/Name: **15C/H34/University of South Carolina Upstate**
- B. Priority No. **3 of 4**
- C. Strategic Goal/Action Plan *(if applicable)*:
- D. Project Name and Number *(if applicable)*: **Deferred Maintenance**
- E. Agency Activity Number and Name: **500 Operations & Maintenance - Facilities**
- F. Description of Priority: **This project will correct miscellaneous deferred maintenance items throughout our Academic facilities that are not addressed by other projects or through use of internal funds. Most of our facilities are suffering from lack of maintenance for major issues due to lack of funds. This project will provide the funds to make permanent corrections to mechanical (HVAC), electrical , and plumbing systems. The project will also allow conversion of space in buildings due to anticipated relocations to the new Health Education Complex while the HVAC and other systems are being addressed.**
- G. Detailed Justification for Funding

(1) Justification for Funding Priority: **Virtually all of our internal funds, raised from student fees, have been used over the past few years to replace roofs and make emergency stopgap repairs to mechanical and electrical systems. We borrowed \$1.5M in 2001 to correct several deferred maintenance items, but this loan is to be paid off with student fees, and is thus reducing the funds available for repairs. This will allow more effective use of our internal funds for smaller, day to day maintenance items. The 1994 deferred maintenance study, our SACS self study, and the 2001 deferred maintenance study have all identified work to be accomplished. The funding we can raise internally is not sufficient to address all of the work that needs to be accomplished.**

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	3,200,000	0	0	\$3,200,000

** If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

- H. Justification for First Year Additional Future Annual Operating Costs:
- (1) Will additional annual operating costs be absorbed into your existing budget?

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: _____ Will this fiscal year require a partial or full year's operating funds? _____ If a partial year's funds are required, what portion of the year does it cover? _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs (*If Section H above represents a full year's operating funds, do not complete this section.*)

(1) Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments: **The budget for this project has increased since last submitted to reflect increased resulting from inflation.**

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

A. Agency Section/Code/Name: **15C/H34/University of South Carolina Upstate**

B. Priority No. **4 of 4**

E. Strategic Goal/Action Plan (*if applicable*):

F. Project Name and Number (*if applicable*): **Media Building and Nursing Building Renovations**

E. Agency Activity Number and Name: **500 Operations & Maintenance - Facilities**

F. Description of Priority: **This project will renovate spaces vacated when current academic units relocate as a result of the completion of the Health Education Complex, and convert the spaces for new academic units. The School of Business Administration and Economics will relocate from Media Building to the Nursing Building after the School of Nursing relocates to the Health Education Complex. Spaces must be converted from nursing labs and other unique spaces to fit the requirements of the School of Business Administration and Economics. Likewise, the School of Education will relocate from Media to the Health Education Complex. The spaces in Media vacated by the two Schools will need to be converted for academic use by the College of Arts and Sciences.**

G. Detailed Justification for Funding

(1) Justification for Funding Priority: **To more effectively use academic space on campus, bring buildings up to current standards, and provide academic space required due to enrollment growth.**

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	3,200,000	0	0	\$3,200,000

** If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs:

(1) Will additional annual operating costs be absorbed into your existing budget?

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: _____ Will this fiscal year require a partial or full year's operating funds? _____ If a partial year's funds are required, what portion of the year does it cover? _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs (*If Section H above represents a full year's operating funds, do not complete this section.*) N/A

(1) Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments: **The budget for this project has increased since last submitted to reflect increased costs resulting from inflation.**

FY 2008-09 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

I. PRIORITY ASSESSMENT OF ACTIVITIES – HIGHEST PRIORITIES

A. Agency Section/Code/Name: **15C/H34/University of South Carolina Upstate**

B.

Priority Assessment of Activities – Highest Priorities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name: 502 Instruction – Arts and Sciences	8,515,974	138,773	0	0	6,436,212	\$15,090,959	135.34
Activity Number & Name: 505 Instruction - Public Health, Pharmacy, Nursing and Social Work	2,561,045	0	0	0	1,935,590	\$4,496,635	40.70
Activity Number & Name: 504 Instruction - Education	1,665,674	138,772	0	0	1,258,885	\$3,063,331	26.47
Activity Number & Name: 503 Instruction – Business & Hospitality, Retail & Sports Mgmt	1,469,545	0	0	0	1,110,654	\$2,580,199	23.35
Activity Number & Name: 499 Student Services	0	265,210	0	0	7,652,507	\$7,917,717	68.35
TOTAL OF HIGHEST PRIORITIES	\$11,651,196	\$542,755	\$ 0	\$ 0	\$18,393,848	\$30,587,799	294.21

FY 2008-09 ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF ACTIVITIES – LOWEST PRIORITIES

- A. Agency Section/Code/Name: **15C/H34/University of South Carolina Upstate**
- B. Agency Activity Number and Name:
- C. Explanation of Lowest Priority Status:
- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	0	0	0	0	0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):

The activities reported in the Agency Activity Inventory are based on expenditure classifications established by the National Association of College and University Business Officers (NACUBO) and are standard across higher education. These classifications identify all critical and necessary components of an institution's mission and are not separable. As such, we feel all of our activities are critical to fulfilling the mission of our University and satisfying our obligations to the citizens of the State of South Carolina.

F.

[illegible]